

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 497
PROPOSED COMMITTEE SUBSTITUTE H497-PCS40358-SH-12

Short Title: Retirement Systems 2% COLAs/Funds.

(Public)

Sponsors:

Referred to:

March 29, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE TWO PERCENT COST-OF-LIVING INCREASES FOR MEMBERS
3 OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE
4 CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE
5 RETIREMENT SYSTEM.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 135-5 is amended by adding a new subsection to read:

8 "(vvv) From and after July 1, 2017, the retirement allowance to or on account of
9 beneficiaries whose retirement commenced on or before July 1, 2016, shall be increased by two
10 percent (2%) of the allowance payable on June 1, 2017, in accordance with subsection (o) of
11 this section. Furthermore, from and after July 1, 2017, the retirement allowance to or on
12 account of beneficiaries whose retirement commenced after July 1, 2016, but before June 30,
13 2017, shall be increased by a prorated amount of two percent (2%) of the allowance payable as
14 determined by the Board of Trustees based upon the number of months that a retirement
15 allowance was paid between July 1, 2016, and June 30, 2017."

16 **SECTION 2.** G.S. 135-65 is amended by adding a new subsection to read:

17 "(gg) From and after July 1, 2017, the retirement allowance to or on account of
18 beneficiaries whose retirement commenced on or before July 1, 2016, shall be increased by two
19 percent (2%) of the allowance payable on June 1, 2017. Furthermore, from and after July 1,
20 2017, the retirement allowance to or on account of beneficiaries whose retirement commenced
21 after July 1, 2016, but before June 30, 2017, shall be increased by a prorated amount of two
22 percent (2%) of the allowance payable as determined by the Board of Trustees based upon the
23 number of months that a retirement allowance was paid between July 1, 2016, and June 30,
24 2017."

25 **SECTION 3.** G.S. 120-4.22A is amended by adding a new subsection to read:

26 "(aa) In accordance with subsection (a) of this section, from and after July 1, 2017, the
27 retirement allowance to or on account of beneficiaries whose retirement commenced on or
28 before January 1, 2017, shall be increased by two percent (2%) of the allowance payable on
29 June 1, 2017. Furthermore, from and after July 1, 2017, the retirement allowance to or on
30 account of beneficiaries whose retirement commenced after January 1, 2017, but before June
31 30, 2017, shall be increased by a prorated amount of two percent (2%) of the allowance payable
32 as determined by the Board of Trustees based upon the number of months that a retirement
33 allowance was paid between January 1, 2017, and June 30, 2017."

34 **SECTION 4.** There is appropriated from the General Fund to the Reserve for
35 Retiree Cost-of-Living Adjustments the sum of eighty-eight million dollars (\$88,000,000) for



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1 the 2017-2018 fiscal year and the sum of eighty-eight million dollars (\$88,000,000) for the
2 2018-2019 fiscal year to implement the cost-of-living adjustment authorized by this act.
3 **SECTION 5.** This act becomes effective July 1, 2017.